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TTY USERS CALL VIA MD RELAY

August 16, 2004

The Honorable Michael E. Busch  
Speaker  
Maryland House of Delegates  
State House, H-101  
Annapolis, MD 21401 - 1991

Dear Mr. Speaker:

Thank you for stepping forward with your recent proposal to authorize a video lottery terminal program in Maryland. Your willingness to work with my Administration and the State Senate is much appreciated.

After a thorough and careful review of the details of the proposal, and after consultation with Senate President Miller, I have concluded that the plan suffers from significant and fundamental flaws.

For more than two years, I have led the debate in Maryland to establish a responsible video lottery terminal program in order to achieve a number of important policy goals, including additional and long-overdue support for our public schools, a more competitive equine industry and preservation of agricultural land in our outer suburbs. Public support is obvious, indeed overwhelming, in view of the ever-increasing competition from neighboring states. In open dialogue, legislation has been drafted, subjected to public hearings, debated, vetted, amended and twice approved by the Maryland State Senate under Senate President Miller's strong leadership. Your proposal presents a profound departure from what has emerged from this process and from what is generally agreed upon – a radically different alignment of venues, governance, development, revenue distributions and management.

Your proposal lacks what I consider to be essential to our efforts to build a responsible video lottery terminal program in Maryland – the input from those most impacted. These stakeholders deserve a significant role in the development of any such

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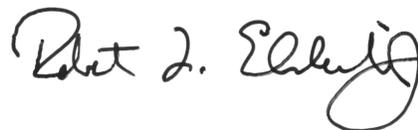
program. The plan that has passed the Senate, one widely supported in Annapolis and across the State, represents the collective wisdom of elected officials, outside experts, local government leaders and the public. Ignoring this work and their input with a plan that presents a completely new and untested set of video lottery terminal proposals – a plan seen by only a handful of people until ten days ago – is simply not responsible and, consequently, something I cannot accept.

I also continue to believe that rushing a new, incomplete, and untested plan to this November's ballot as an amendment to Maryland's Constitution is misguided. Regardless of past practices, the Constitution should not be manipulated for political gain or to allow (or prohibit) things like gaming. Difficult legislative decisions are never easy and I remind you of your own convictions about making them, as you described in *The Capital*: "Call me old-fashioned, but I think these are the issues that are supposed to be debated here... Government should not be sitting around saying 'We're going to pass the tough decisions off on you [the people of Maryland].'"

I propose that you, Senate President Miller and I agree to present to the General Assembly in a Special Session in early September the video lottery terminal proposal that reflects public input and satisfies the State's need to raise revenues and stanch the flow of Maryland dollars into surrounding states. Earlier this year, the State Senate approved a plan to develop video lottery terminal operations at as many as six locations in Maryland, including three world class "destination resorts" appealing to out-of-state visitors. More than fifty percent of the net proceeds will flow to State and local governments, providing an optimum return over the long term. The plan provides a means for Maryland-based companies and minority developers to participate in the development of the facilities and vests authority in a balanced blue ribbon commission appointed by the legislative leaders and the Administration. The Pennsylvania General Assembly's recent action to put slot machines on the borders with Maryland increases the need for us to act on this plan now.

The legislation passed by the Senate is an excellent plan that has the support of the majority of the General Assembly. Rather than step aside and pass responsibility along through an inappropriate ballot drive, I repeat my commitment to working with you, President Miller and members of the Legislature to enact it and move on.

Very truly yours,



Robert L. Ehrlich, Jr.  
Governor